



**Central Puerto**



## COMPANY PRESENTATION

September 10, 2018

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## Adjusted EBITDA

In this presentation, Adjusted EBITDA, a non-IFRS financial measure, is defined as net income for the year, plus finance expenses, minus finance income, minus share of the profit of associates, plus income tax expense, plus depreciations and amortizations, minus net results of non-continuing operations.

Adjusted EBITDA is believed to provide useful supplemental information to investors about the Company and its results. Adjusted EBITDA is among the measures used by the Company's management team to evaluate the financial and operating performance and make day-to-day financial and operating decisions. In addition, Adjusted EBITDA is frequently used by securities analysts, investors and other parties to evaluate companies in the industry. Adjusted EBITDA is believed to be helpful to investors because it provides additional information about trends in the core operating performance prior to considering the impact of capital structure, depreciation, amortization and taxation on the results.

Adjusted EBITDA should not be considered in isolation or as a substitute for other measures of financial performance reported in accordance with IFRS. Adjusted EBITDA has limitations as an analytical tool, including:

- Adjusted EBITDA does not reflect changes in, including cash requirements for, our working capital needs or contractual commitments;
- Adjusted EBITDA does not reflect our finance expenses, or the cash requirements to service interest or principal payments on our indebtedness, or interest income or other finance income;
- Adjusted EBITDA does not reflect our income tax expense or the cash requirements to pay our income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will need to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for these replacements;
- although share of the profit of associates is a non-cash charge, Adjusted EBITDA does not consider the potential collection of dividends; and
- other companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

The Company compensates for the inherent limitations associated with using Adjusted EBITDA through disclosure of these limitations, presentation of the Company's consolidated financial statements in accordance with IFRS and reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure, net income. For a reconciliation of the net income to Adjusted EBITDA, see the tables included in this release. For more information see "Adjusted EBITDA Reconciliation" below.

## Convenience Translations

The translations into US dollars in the table under this presentation have been made for convenience purposes only, and, given the significant exchange rate fluctuation during 2016, 2017 and 2018, you should not place undue reliance on the amounts expressed in US dollars. The US dollar translations should not be construed as a representation that the peso amounts have been or may be converted into US dollars at the rate indicated in the table above or at any other rate. For more information see "Foreign Exchange Rate Evolution" below.



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# Central Puerto at a glance

## Key highlights



Largest private sector power generator in Argentina, with a total installed capacity of 3,762 MW<sup>1</sup>



Geographically and technologically diversified operating assets



Largest private player<sup>2</sup> in 3 companies operating combined cycles totaling 2,554 MW under a consortium with other generators ("FONINVEMEM" or "FONI"), enhancing the Company's portfolio



Potential to continue improving operating assets' profitability



Attractive growth profile, with 707 MW of awarded capacity with PPAs with CAMMESA and potential contracts with large power users



Strong cash flow generation and financial position

Source: company information

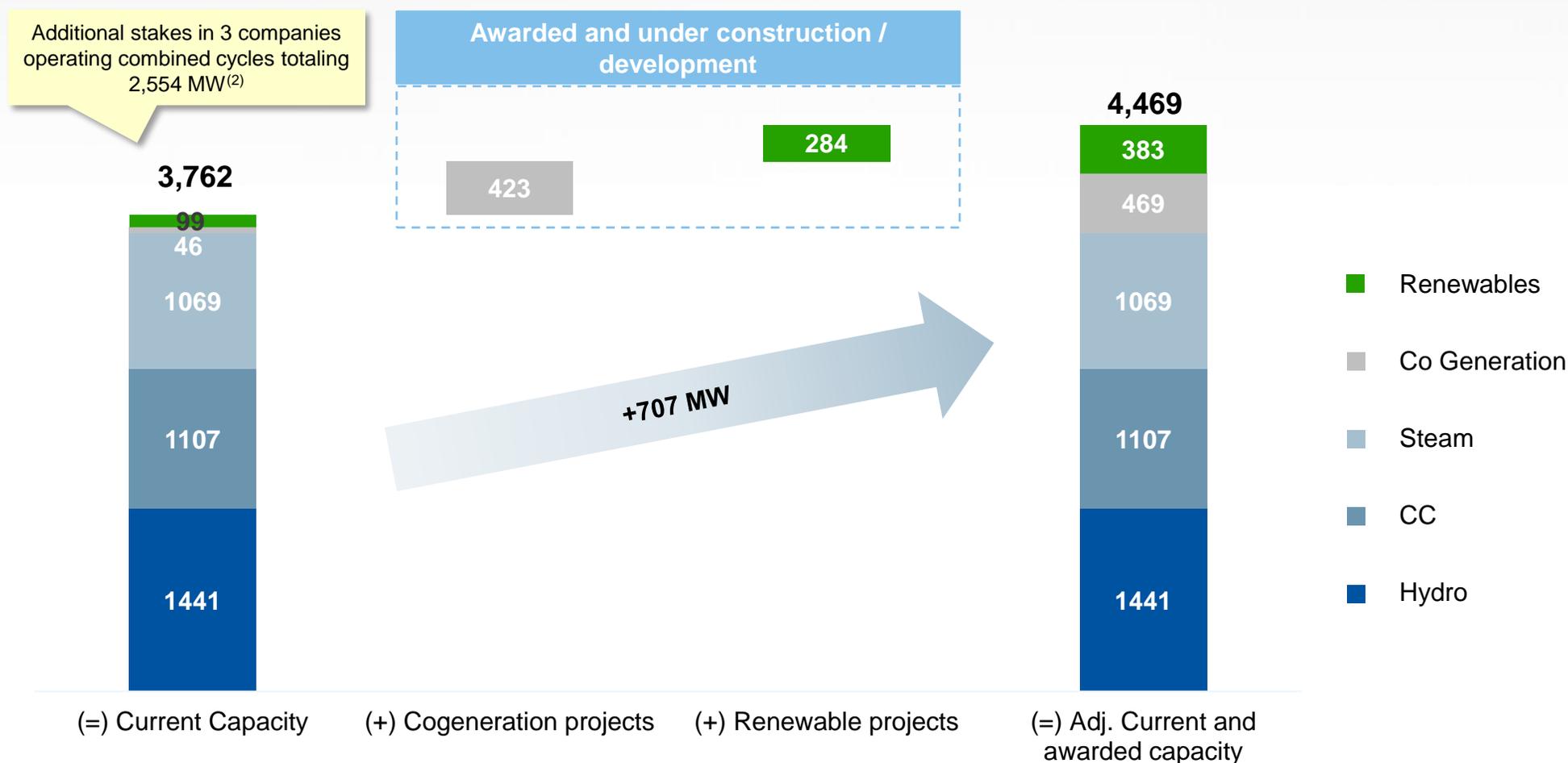
<sup>1</sup> Measured by energy generated. Installed capacity excluding FONI plants; <sup>2</sup> Central Puerto has a 1<sup>st</sup> minority equity interest in TJSM and TMB and a 56% equity interest in CVOSA



# Central Puerto at a glance (cont'd)

## Operating and financial highlights

### Generation assets and potential projects breakdown by technology (MW)<sup>1</sup>



Source: Company information

<sup>1</sup> Considers 100% of the capacity of each asset, excluding FONI plants; <sup>2</sup> CEPU is the largest private player in 3 companies operating combined cycles totaling 2,554 MW under a consortium with other generators ("FONI").

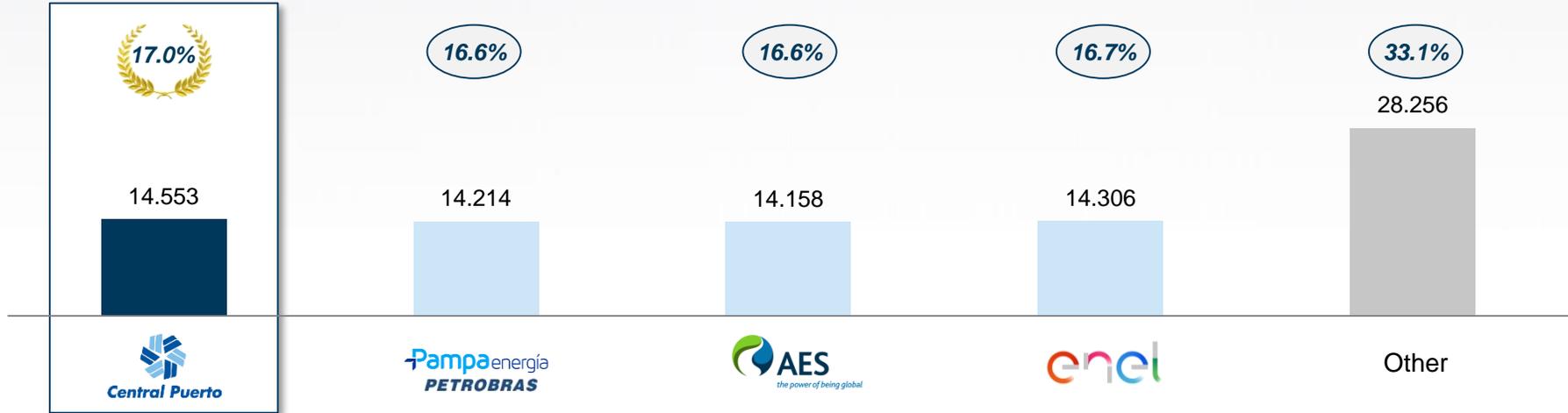


# Largest private sector power generator in Argentina with a diversified portfolio of high quality assets

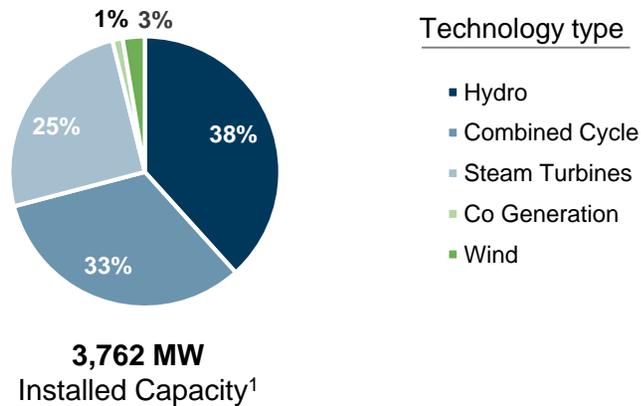
## Largest private sector power generator in Argentina with a diversified asset base

### Private sector power generation market shares (GWh)

SADI's total power generation by private sector companies and market share, Jul 2017 - Jun 2018

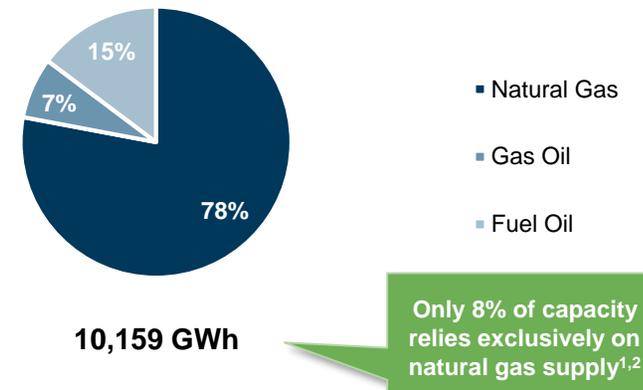


### Balanced portfolio with different technologies in place...



### ... coupled with fuel sources diversification

Thermal generation by fuel type, Jul 2017 - Jun 2018



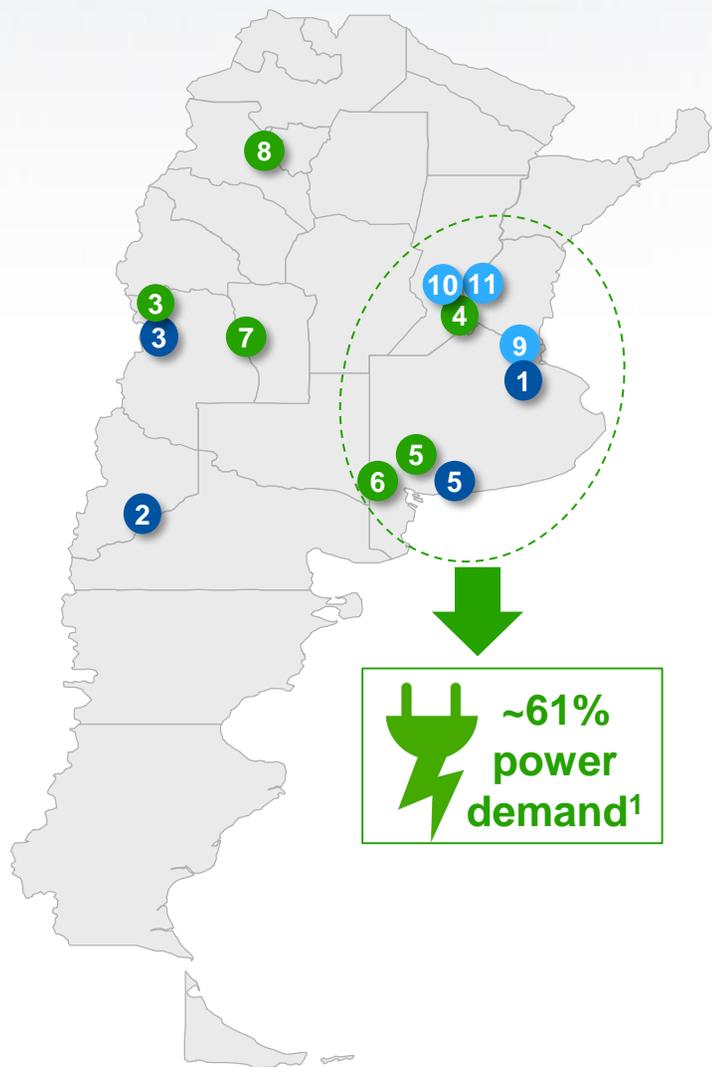
Source: Company information. <sup>1</sup> Excludes FONI Plants; <sup>2</sup> Lujan de Cuyo's Siemens Combined Cycle unit (306 MW installed capacity) is CEPU's only unit relying exclusively on natural gas



# Central Puerto at a glance (cont'd)

## Portfolio of generation assets

### Current geographic footprint



	Power capacity (MW) <sup>2</sup>	Assets in operation	Assets under construction / development	FONINMEM Plants
1	Puerto	1,714	-	-
2	Piedra del Aguila	1,440	-	-
3	Lujan de Cuyo	509	93	-
4	San Lorenzo	-	330	-
5	La Castellana I & II	99	16	-
6	Genoveva I & II	-	129	-
7	Achiras I & II	-	127	-
8	El Puesto	-	12	-
9	Manuel Belgrano	-	-	873
10	San Martin	-	-	865
11	Vuelta de Obligado	-	-	816
	<b>Total</b>	<b>3,762</b>	<b>707</b>	<b>2,554</b>

■ Assets currently in operation ■ Assets under development ■ Central Puerto equity interest in companies operating FONI plants

Source: Company information and CAMMESA

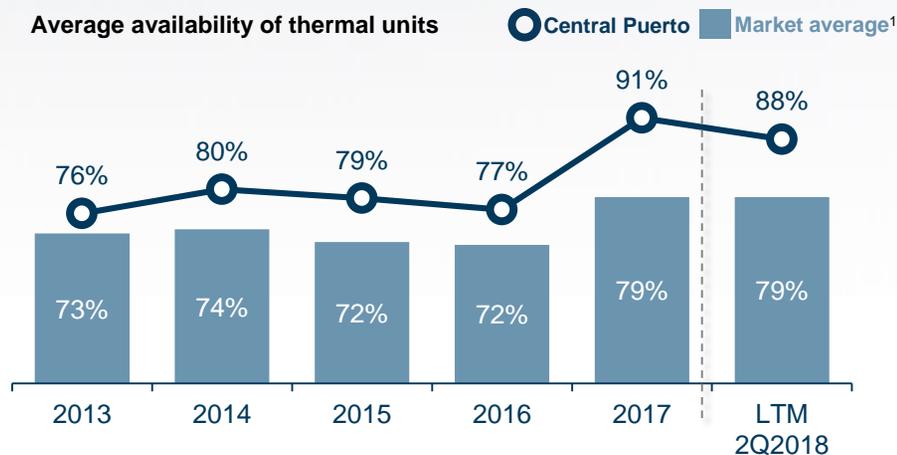
<sup>1</sup> Demand for 6M18 based on CAMMESA's monthly report. Includes Gran Buenos Aires, Buenos Aires and Litoral; <sup>2</sup> Considers 100% of the capacity of each asset



# Largest private sector power generator in Argentina with a diversified portfolio of high quality assets (cont'd)

## High quality assets with strong and stable operational performance

### Assets with high availability...



### ...a strong generation track record...

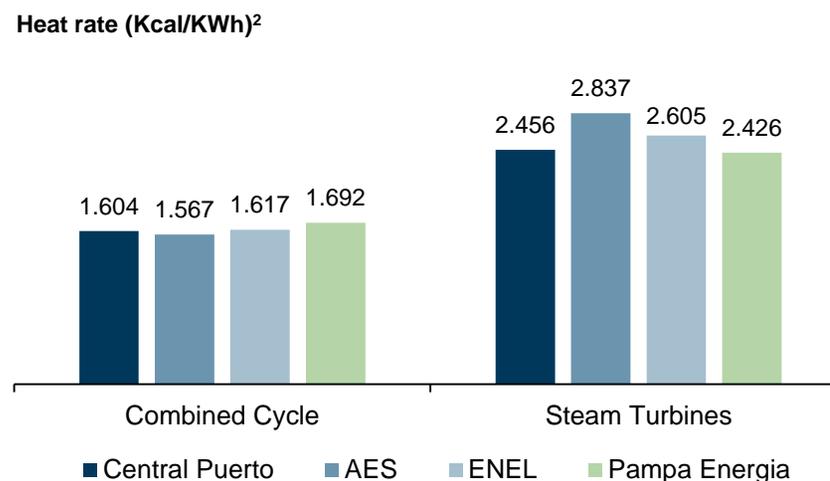


### ... access to fuel and water storage...

<b>Fuel Oil</b>	<ul style="list-style-type: none"> <li>32,000 tons of storage capacity</li> <li>Equivalent to 6.3 days of consumption</li> </ul>
<b>Gas Oil</b>	<ul style="list-style-type: none"> <li>20,000 tons of storage capacity</li> <li>Equivalent to 5.7 days of consumption</li> </ul>
<b>Water (HPDA)</b>	<ul style="list-style-type: none"> <li>12 bn m<sup>3</sup> of water, of which 50% are usable</li> <li>Equivalent to 45 days of consumption</li> </ul>

*Critical assets due to their large storage capacity*

### ... and high efficiency



Source: Company information, CAMMESA

<sup>1</sup> Average market availability for thermal units; <sup>2</sup> Considers units operating only with natural gas, as of June 30, 2018



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*Central Puerto's growth strategy based on 3 clear pillars*

Growth strategy based on 3 clear pillars



CAPACITY

PROFITABILITY



A

Expansion in conventional energy



C

Industry normalization

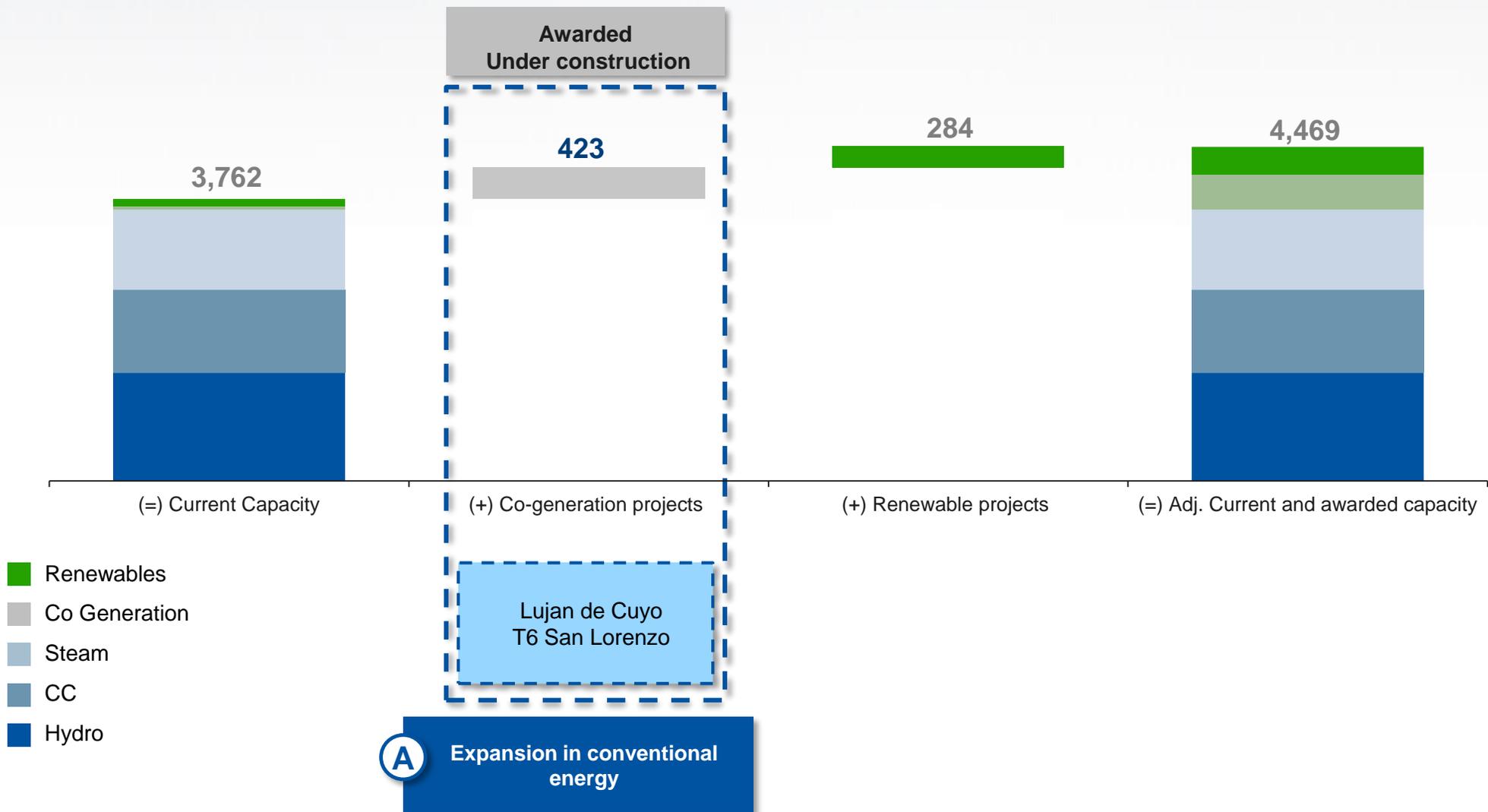


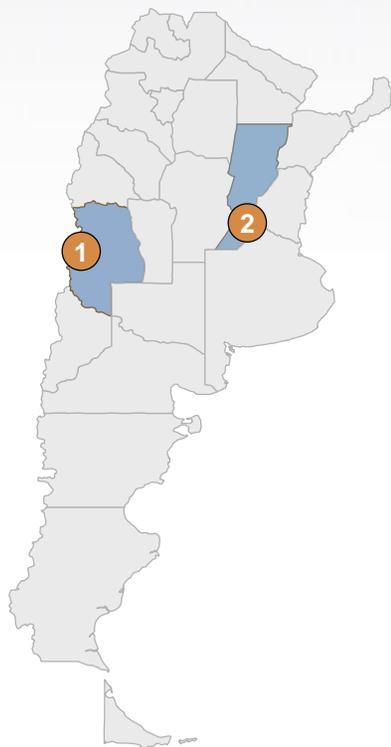
B

Expansion in renewable energy



## Generation assets and potential projects by technology (MW)





	① <u>Expansion of Lujan de Cuyo</u>	② <u>Terminal 6 San Lorenzo</u>
<b>Power capacity</b>	93 MW (for the winter)	330 MW (for the winter)
<b>Technology</b>	Cogeneration	
<b>Estimated Total Capex (excl. VAT)</b>	US\$91mm	US\$284mm
<b>Expected COD</b>	November 2019	May 2020
<b>Contract term</b>	15 years	
<b>Awarded energy price [capacity + variable]</b>	17,100 US\$/MW per month + 8 US\$/MWh <sup>1</sup>	17,000 US\$/MW per month + 8 US\$/MWh (NG) <sup>1</sup> 10 US\$/MWh (GO) <sup>1</sup>
<b>Steam off-taker</b>	YPF	T6 Industrial S.A. <sup>2</sup>
	 Existing facilities can accommodate the additional capacity without any major restructuring	Uses one of the 4 turbines already purchased by Central Puerto
	 New steam contract to replace the current one, which still has 2 years until expiration	Location inside Terminal 6's premises

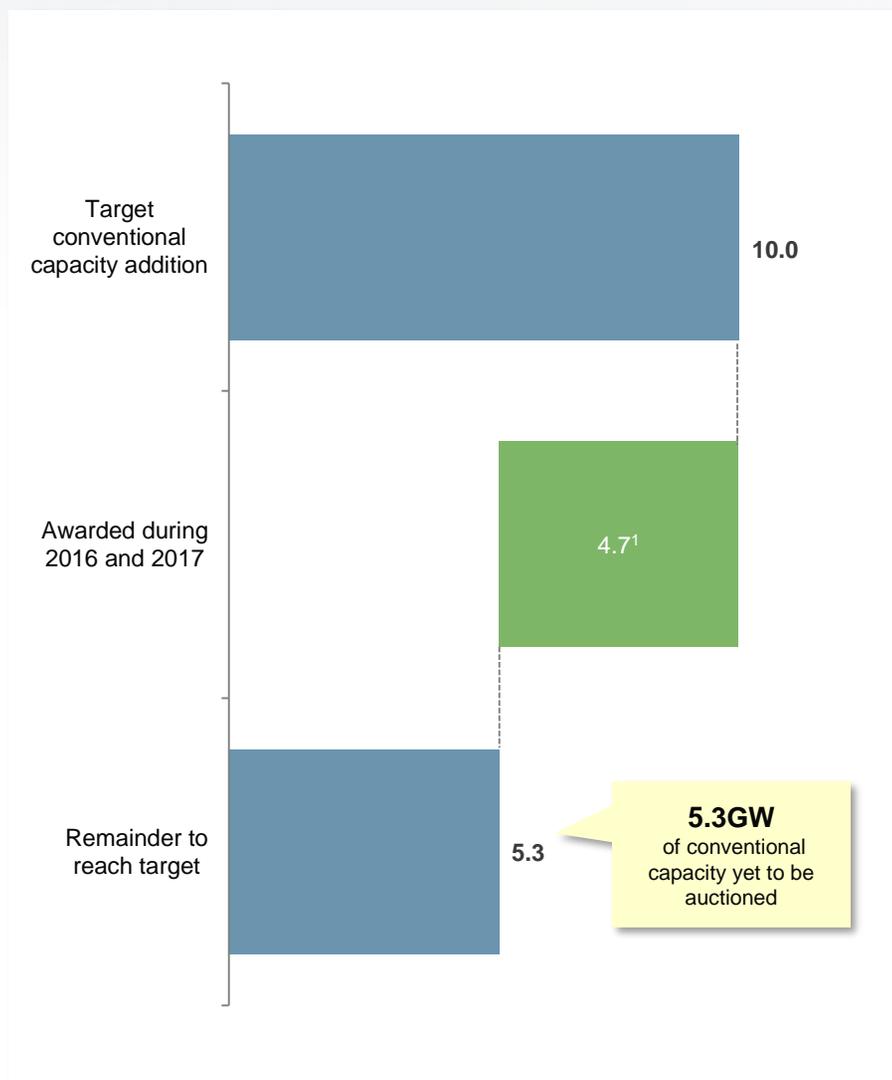
*PPAs for these projects were executed on January 4<sup>th</sup>, 2018*

**Central Puerto was awarded 22% of the total granted capacity, more than any other bidder in Res. 287/2017 auction**

Source: Company information; <sup>1</sup> Excluding fuel cost; <sup>2</sup> T6 Industrial S.A. (owned by General Deheza and Bunge)



### Government targets significant capacity additions



### Turbines and land for future projects

- ✓ To further enhance its position ahead of future auctions (or potential private term market bids), Central Puerto has already acquired gas turbines and land
- ✓ 3 new heavy-duty gas turbines acquired totaling 969 MW
- ✓ These turbines could be used in potential new combined cycle projects, for up to 1456 MW
- ✓ Successful track record in expansion processes for 806 MW of installed capacity<sup>3</sup> since 2016

Gas turbines	Manufacturer		<b>SIEMENS</b> x2
	Capacity	373MW	298MW x2
	Technology	Series H	Series F

High efficiency, latest generation turbines



**Total CapEx: US\$134mm<sup>2</sup>**

Source: Company information, news run

<sup>1</sup> Includes 2.9GW awarded under Res. 21/2016 and 1.8GW awarded under Res. 287/2017; <sup>2</sup> Considers investment in the 3 turbines and the 130 ha of land in Buenos Aires Province; <sup>3</sup> Thermal and renewable energy



**Assets under the FONINVEMEM program**

	<b>1 San Martín</b>	<b>2 Manuel Belgrano</b>	<b>3 Vuelta de Obligado</b>
<b>Plant overview</b>	Combined cycle	Combined cycle	Combined cycle
	865 MW	873 MW	816 MW
	COD: 2010	COD: 2010	COD: March18

**First 10 years of Operations**

- Private Generators to collect US\$ receivables in 120 monthly payments plus 360-day LIBOR + 1% for **1 2** and 30-day LIBOR + 5% for **3**
- Plants owned by the FONI trusts and operated by private generators
- Central Puerto's stake in operating companies: 1st minority for **1 2** and controlling company for **3**

**After 10 years of COD**



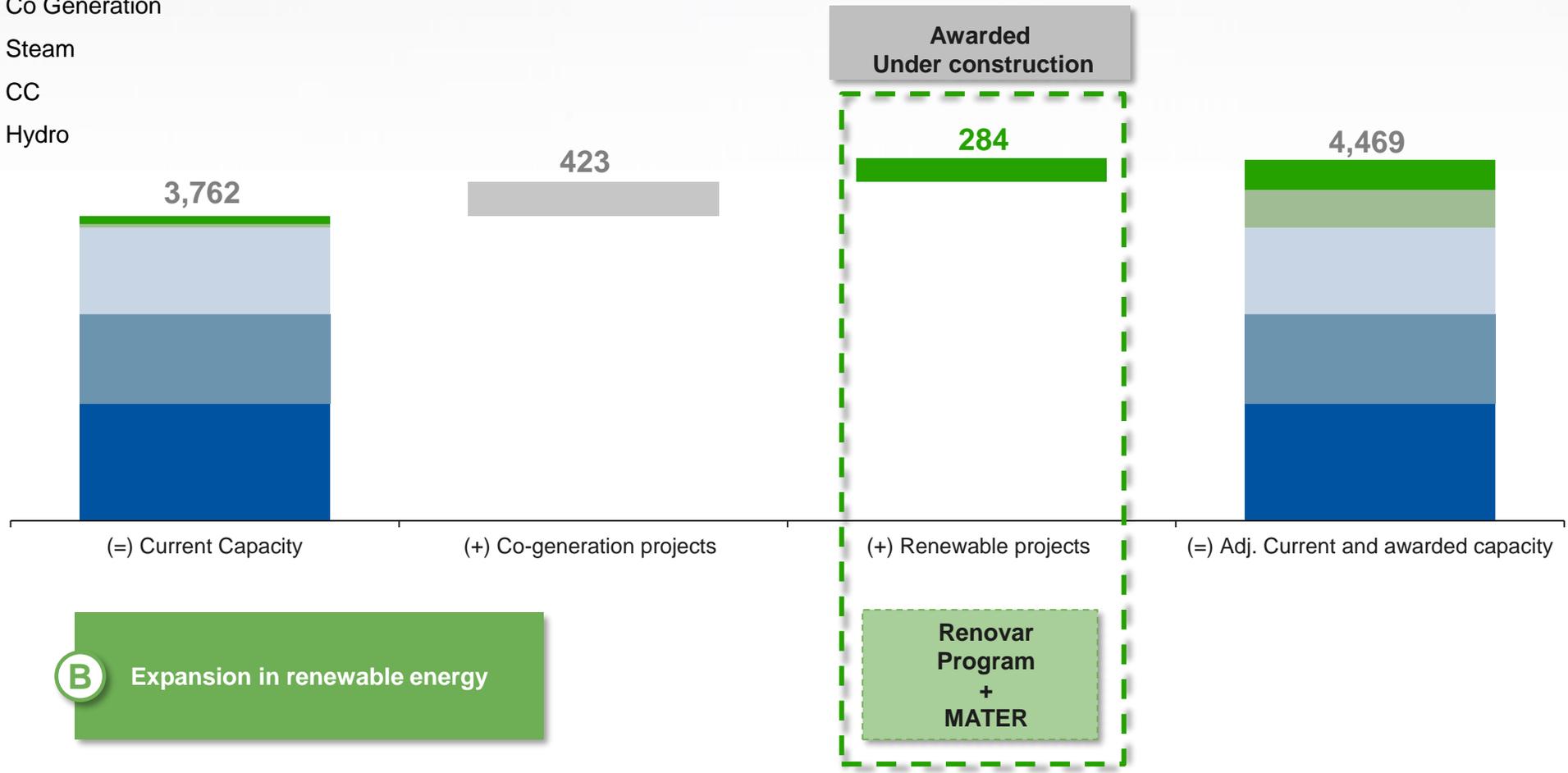
**Well positioned for potential strategic opportunity**

- Private shareholders will receive the assets' property rights
- Argentine Government will be incorporated as a shareholder
- The Government has been allowed to sell its pro-rata equity interest

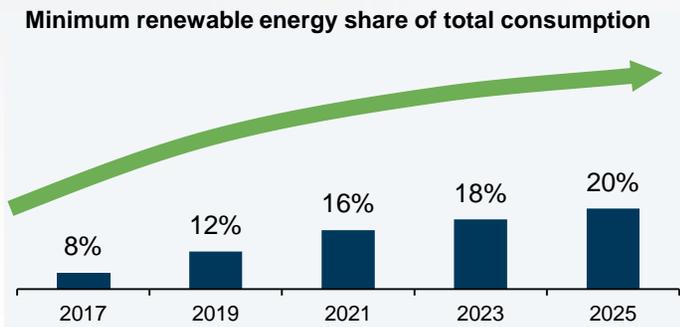


## Generation assets and potential projects by technology (MW)

- Renewables
- Co Generation
- Steam
- CC
- Hydro



### Regulations

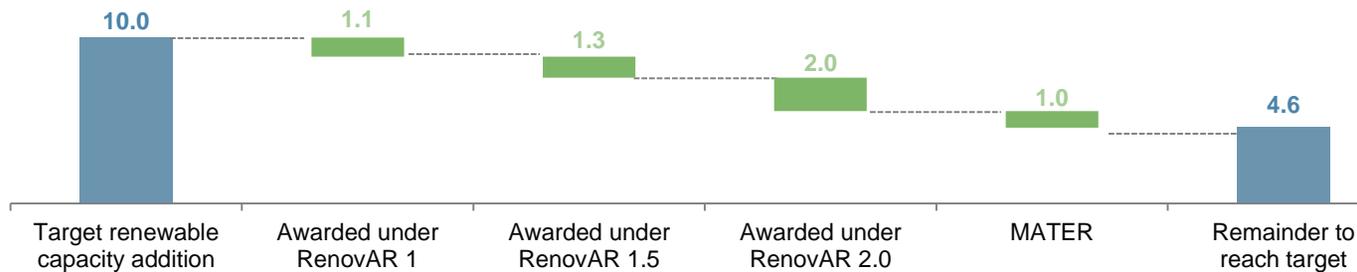


- To promote renewable energy, a Promotional Regime was enacted
- Energy must be intended for the WEM
- Larger users (+300kW) will need to gradually increase the purchase of energy from renewable sources, meeting specific goals

### Principal Tax Benefits

- Early refund of the Value Added Tax (VAT) of the project's new assets
- Accelerated asset depreciation for income tax purposes
- Tax certificate equal to 20% of the value of electromechanical components made in Argentina, under certain conditions

### Renewable energy capacity to be added



**4.6 GW**  
of renewable capacity yet to be auctioned or added in the private market by 2025



### Central Puerto's wind farm projects<sup>1</sup>

		RenovAr Program			Term Market (MATER)			
		1 La Castellana I	2 Achiras I	3 La Genoveva I	4 La Castellana II	5 Achiras II	6 La Genoveva II	7 El Puesto
Capacity and technology		99 MW wind farm	48 MW wind farm	86.6 MW wind farm	15.75 MW wind farm	79.8 MW wind farm	41.8 MW wind farm	12 MW solar farm
Estimated Capex		US\$148mm	US\$74mm	US\$105mm	US\$19mm	US\$112mm	US\$58mm	US\$10mm
COD / Expected COD		August 18, 2018	September 2018	May 2020	July 2019	January 2020	November 2019	August 2020
Equipment		32x units of 3.15MW	15x units of 3.2MW	25x units of 3.46MW	4 units	21 units	11 units	~43,000 modules
Awarded Price	Starting	61.50 US\$/MWh	59.38 US\$/MWh	40.90 US\$/MWh	Contractual conditions currently under negotiation			
	Adjustments	Annual adjustment factor + incentive factor						
PPA Signing Date		January 2017	May 2017	July 2018				
Term		20 years starting on COD						
Funding	Committed	✓	✓					
	Type	Equity and project finance						



Source: Company information

<sup>1</sup> Equity stake in wind farms La Castellana and Achiras owned through CP La Castellana S.A.U. and CP Achiras S.A.U., respectively. La Castellana II, Achiras II and La Genoveva II projects will be developed through CPR Energy Solutions S.A.U.; La Genoveva I will be developed through Vientos La Genoveva S.A.U.;



2016 - 2018

Transition scheme

- Goal is to improve sector sustainability
- Fixed capacity price increase under Energía Base framework
- Regularization of CAMMESA's payables to generators
- Increased and set prices in US\$ and established cash remuneration
- Enabled private parties to sign PPAs for renewable energy provision

2018/2019

Industry normalization

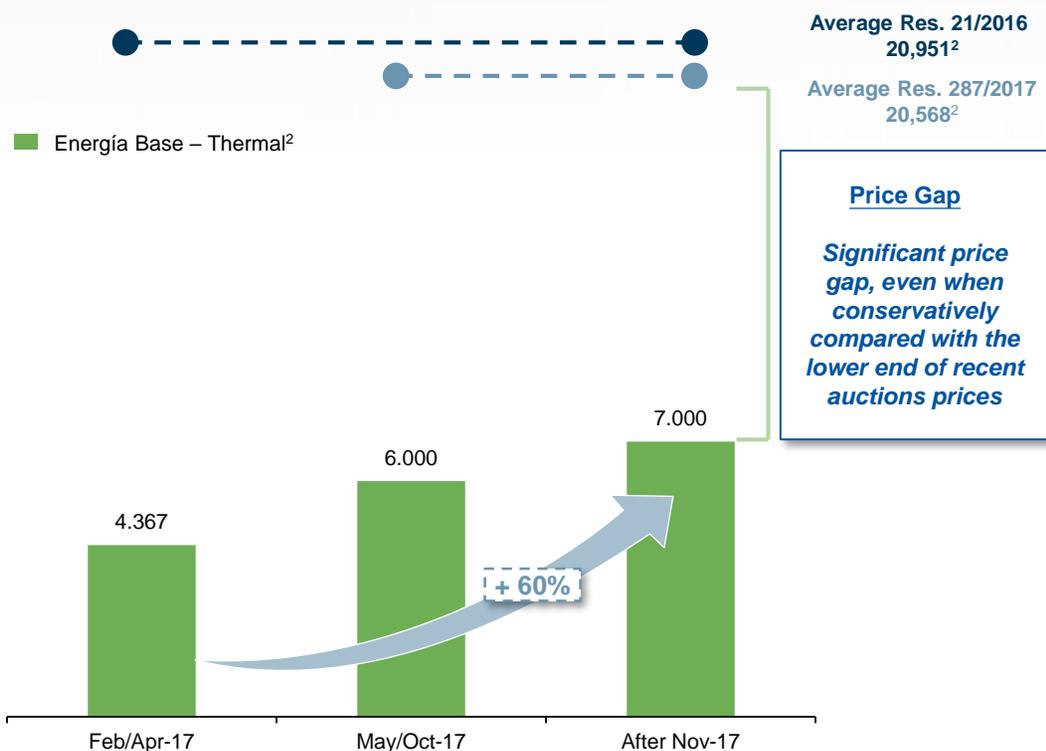
- Potential changes under discussion:
  - New regulatory framework, to focused on efficiency and the reduction on the fuel costs
  - Responsibility of buying fuel will be potentially shifted back to generators
  - Potential re opening of the term market for conventional generation



# Price increases for Energía Base are narrowing the gap with prices awarded in new energy auctions

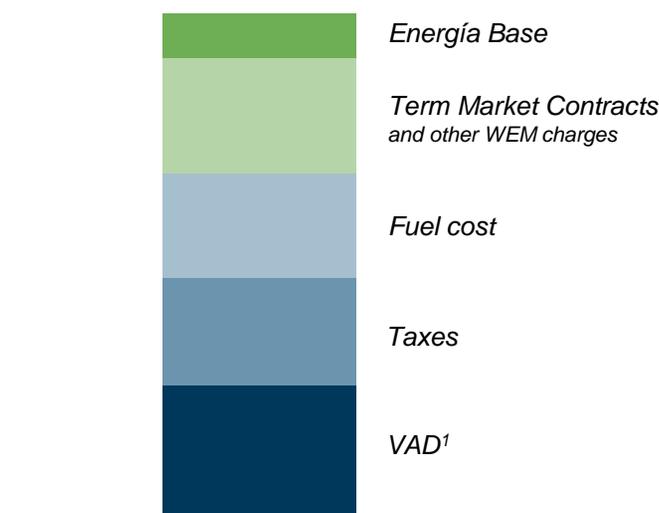
## Key changes in the Energía Base framework

Energía Base price evolution (US\$/MW month)<sup>1</sup>



Government increased remuneration for Energía Base thermal generation in May-17 and Nov-17, but there is still a large gap with prices observed in recent auctions

Energía Base payments as a % of total energy price<sup>1</sup>



Source: Company information and Ministry of Energy.

<sup>1</sup> Average of the prices of: large CC (>150MW), large steam turbine (>100MW) and small steam turbine (<100MW). Figures as of August 31, 2018; <sup>2</sup> Weighted average by capacity



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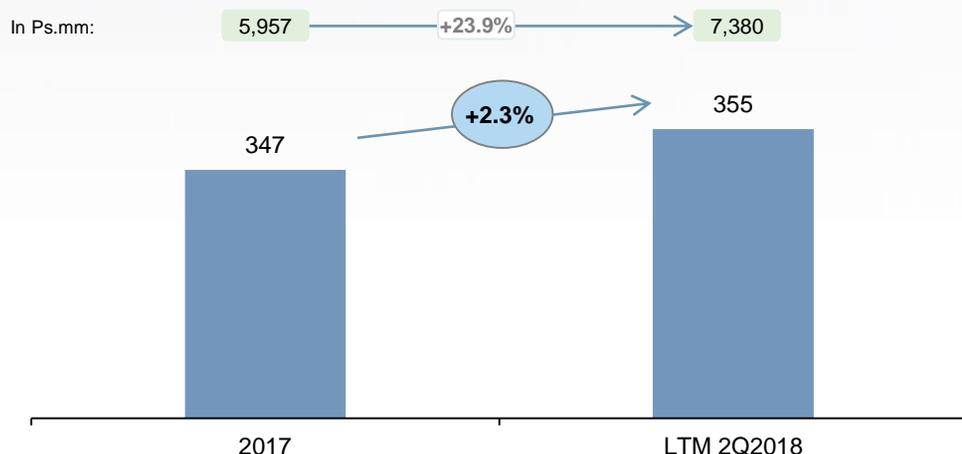
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# Strong cash flow generation and financial position

## US\$ based revenues supported by additional FONINVEMEM cash flows

### Net revenues from continuing operations (US\$mm)<sup>1</sup>



### Adj. EBITDA excluding CVOSA effect, FX differences and interest on FONI receivables (US\$mm)<sup>1</sup>



### FONI receivables<sup>3</sup> (US\$mm)

- As June 30, 2018 Central Puerto registered a **one-time-gain of Ps. 7,959 million** related to the Commercial Operation Approval of CVOSA
- FONI receivables to be collected from **CVOSA total US\$ 559 million**, as of June 30, 2018, and accrue interest at a **30 days LIBOR + 5% rate**
- FONI receivables to be collected from **TJSM and TMB total US\$ 34 million**, as of June 30, 2018, and accrue interest at a **360 days LIBOR + 1% rate**

**Payments from FONINVEMEM receivables provide additional liquidity to that generated by Central Puerto's funds from operations**

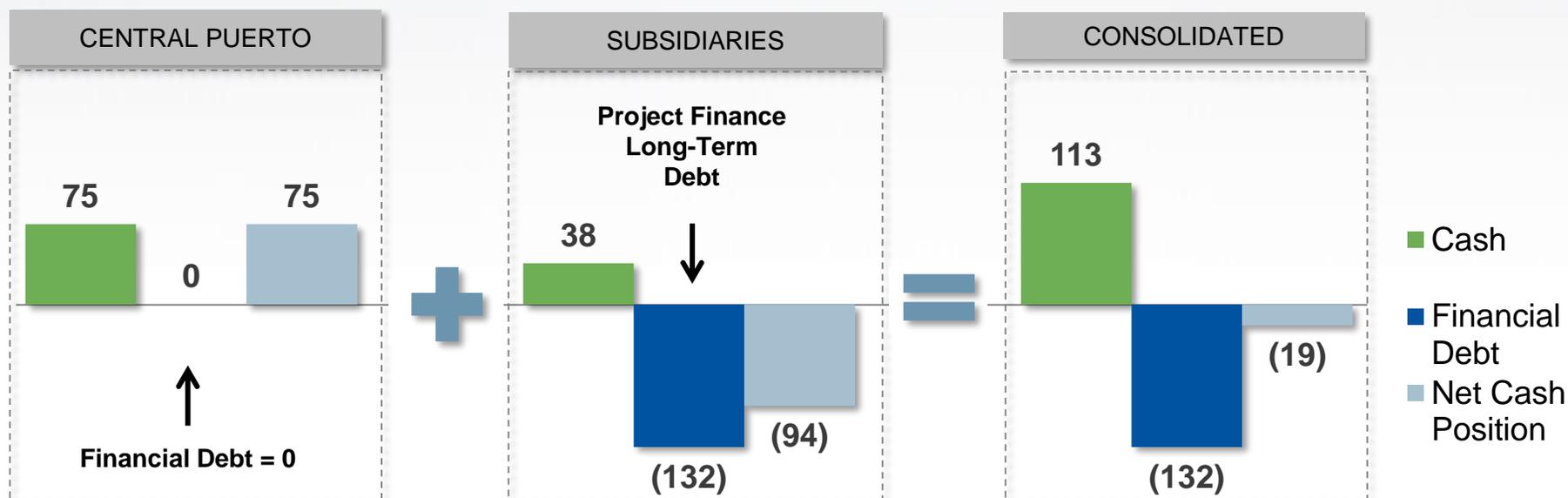
Source: Company information

<sup>1</sup> Figures do not include results from discontinued operations (as of December 2017, the La Plata Plant was classified as held for sale, and its results as discontinued operations). Financial figures constructed as the sum of each quarter and converted for the convenience of the reader from Ps. to US\$ at the FX of the end of each quarter (figures in the table show the sum of the results 4 quarters). See "Disclaimer – Adjusted EBITDA" and "Foreign Exchange Rate Evolution".

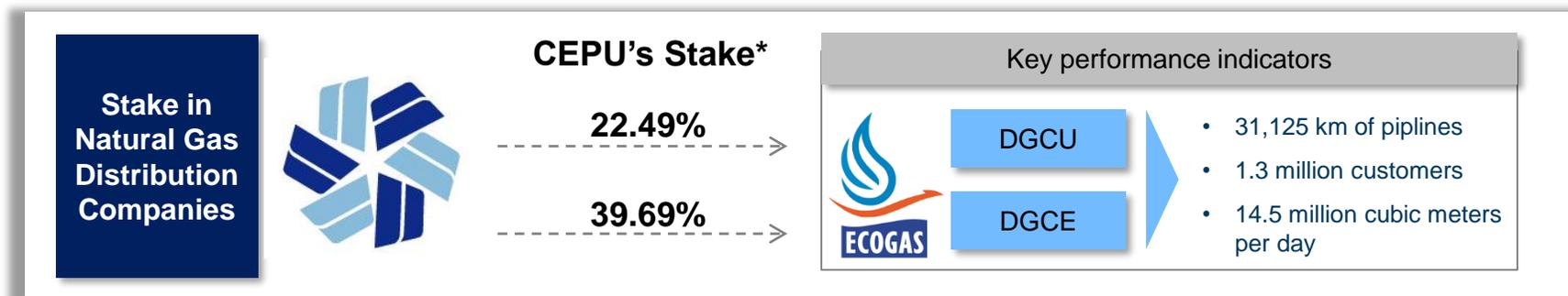


# Favorable financial position and stake in non-core assets

## Cash Position as of June 30, 2018 (US\$ mm)<sup>1</sup>



## Stake in natural Gas Distribution companies



Source: Company information

1. Financial figures converted for the convenience of the reader at the exchange rate of June 30, 2018. See "Foreign Exchange Rate Evolution" and "Disclaimer - Convenience Translations".

\*As of June 30, 2018, we owned a 44.10% interest in Inversora de Gas Cuyana, and, as a result, we indirectly hold a 22.49% equity interest in Distribuidora de Gas del Cuyana

As of June 30, 2018 we hold a 44.10% interest in Inversora de Gas del Centro and a direct 17.20% interest in Distribuidora de Gas del Centro (DGCE). Therefore, we hold, both directly and indirectly, a 39.69% in DGCE.



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**Adjusted EBITDA Reconciliation**  
**Foreign Exchange rate**



## Adjusted EBITDA Reconciliation

### Adjusted EBITDA Reconciliation

Million Ps.	2017	LTM 2Q 2018
<b>Net Income of the year</b>	<b>3,494</b>	<b>13,665</b>
Finance Expenses	698	1,780
Finance Income	(932)	(1,251)
Share of the profit of associates	(715)	(1,030)
Income tax expense	1,052	4,869
Depreciation and Amortization	327	327
Net income of discontinued operations	(485)	(756)
<b>Adjusted EBITDA</b>	<b>3,439</b>	<b>17,604<sup>1</sup></b>
CVOSA Effect	-	(7,959)
Foreign Exchange Difference and interests related to FONI and similar programs	(251)	(4,929)
<b>Adjusted EBITDA minus CVOSA effect and Foreign exchange difference and interests related to FONI and similar programs</b>	<b>3,184</b>	<b>4,716</b>
<b>Adjusted EBITDA minus CVOSA effect and Foreign exchange difference and interests related to FONI and similar programs (convenience translation into US\$*)</b>	<b>184</b>	<b>229</b>

Source: Company information

See “Disclaimer—Adjusted EBITDA” above for further information.

\*For LTM 2Q 2018, financial figures constructed as the sum of, each quarter converted from Ps. to US\$ at the exchange rate of the end of each quarter. See Foreign Exchange Rate Difference



## Foreign Exchange Rate Evolution

### Exchange rate quoted by Banco de la Nación Argentina for wire transfers (“divisas”)

Year	Month	High	Low	Average	End
2017	1Q 2017	16.0800	15.3600	15.6795	15.3900
	2Q 2017	16.6300	15.1900	15.7575	16.6300
	3Q 2017	17.7900	16.8000	17.2870	17.3100
	4Q 2017	19.2000	17.2300	17.5529	18.6490
2018	1Q 2018	20.4100	18.4100	19.6779	20.1490
	2Q 2018	28.8500	20.1350	23.5843	28.8500
	July 2018	28.3000	27.2100	27.5741	27.4100
	August 2018	37.6000	27.2900	30.1652	36.8500
	September 2018 <sup>1</sup>	38.8800	36.9900	37.8040	36.9900

Source: Banco de la Nación Argentina

<sup>1</sup>Through September 7, 2018.





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